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IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH - CENTRAL DIVISION

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UNITED STATES OF AMERICA,  Petitioner, v.  MISTY COVINGTON,  Respondent.	Civil No. 2:13-cv-403 DB  <b>UNITED STATES' PETITION TO ENFORCE INTERNAL REVENUE SUMMONS</b>  Honorable Dee Benson
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The United States, by and through its undersigned counsel, petitions this Court for an order to enforce an Internal Revenue Service (IRS) summons served on Respondent, Misty Covington, and in support avers as follows:

I

This proceeding is brought at the request and with the authorization of the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury of the United States, and at the direction of the Attorney General of the United States, pursuant to delegated authority.

II

This Court has jurisdiction over this proceeding pursuant to Sections 7402(b) and 7604(a) of Title 26, United States Code, and Sections 1340 and 1345 of Title 28 of the United States Code.

III

Venue is proper in the District of Utah because Respondent, Misty Covington, resides or may be found within this district.

IV

Yvonne Poulsen is a revenue officer employed by the Small Business/Self Employed Division, in the Office of the Compliance Area Director of the Internal Revenue Service at 50 South 200 East, Mail Stop 5112-SLC, Salt Lake City, Utah, 84111, and is authorized to issue IRS summonses pursuant to the authority contained in Section 7602 of Title 26, United States Code, and Treasury Regulations, 26 C.F.R. § 301.7602-1 (2005).

V

Revenue Officer Poulsen has prepared a declaration with respect to this matter which is attached hereto as Attachment 1 and forms the basis of the allegations herein.

VI

Respondent, Misty Covington, is believed to reside in Holladay, Utah 84121.

VII

Petitioner is conducting an investigation into the federal tax liability of George C. Squire Jr. and Nancy Squire, for the periods ending December 31, 1996, December 31, 1997, December 31, 1998, December 31, 1999, December 31, 2001, December 31, 2002, and December 31, 2003. The Squires set up the IAM Holdings Trust and Respondent, Misty Covington, was appointed to be the trustee of that IAM Holdings Trust.

VIII

Respondent is in possession and control of testimony and documents concerning the above-described investigation.

IX

On February 7, 2013, an IRS summons (“Summons”) was issued requiring Respondent to appear before Revenue Officer Yvonne Poulsen on February 26, 2013, at 8:30 a.m., to provide testimony and produce for examination, books, papers, records, and other data regarding the assets and liabilities of George C. Squire Jr. and Nancy Squire and the IAM Holdings Trust of which Respondent is the Trustee. An attested copy of the Summons was served on the Respondent, Misty Covington, on February 11, 2013, pursuant to 26 U.S.C. § 7603, by leaving a copy in an envelope taped to the door of Respondent’s residence. A true and correct copy of the Summons as served is attached to the accompanying Declaration of Revenue Officer Poulsen.

On February 12, 2013, Respondent, Misty Covington, called Revenue Officer Poulsen and reported to her that Respondent would be out of the country on February 26, 2013. Ms. Covington then refused over the phone to answer any questions concerning the Squires, the IAM Holdings Trust or its assets, at that time over the phone, but did agree to meet with Revenue Officer Poulsen at Ms. Covington’s home on February 21, 2013, at 1:30 p.m. Revenue Officer Poulsen went to the home of Ms. Covington at the appointed hour on February 21, 2013, but no one answered the door.

X

On February 26, 2013, Respondent, Misty Covington, did not appear as required pursuant to the Summons. A so-called “last chance” letter was then sent to Respondent asking her to appear before Revenue Officer at the Salt Lake City office of Revenue Officer Poulsen on March 27, 2013, at 9:00 a.m. Respondent again did not appear on the date appointed in that last chance letter. Respondent's refusal to comply with the Summons continues to the date of this petition.

XI

The information sought by the Summons is relevant for the legitimate purpose of the investigation described above and is not already in the possession of IRS.

XII

All administrative steps required by the Internal Revenue Code for the issuance of the Summons have been taken.

XIII

No criminal referral has been made to DOJ with respect to this matter.

WHEREFORE, Petitioner respectfully prays:

1. That the Court enter an order directing Respondent, Misty Covington, to show cause, if any, why she should not comply with and obey the Summons and each and every requirement thereof;
2. That the Court enter an order directing Respondent, Misty Covington, to comply with the Summons as well as every requirement thereof by her attendance, testimony, and production as required by the Summons before the revenue officer, or any other proper officer or employee of IRS, at such a time and place as may be fixed by the revenue officer or any other proper officer or employee of IRS;
3. That the United States recover its costs in maintaining this action; and
4. That the Court grant such other and further relief as it may deem just and proper.

Respectfully submitted this 6th day of June, 2013.

DAVID B. BARLOW  
United States Attorney

/s/ John K. Mangum  
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Assistant United States Attorney  
Attorneys for the United States of America